

**A RESOLUTION BY  
TRANSPORTATION COMMITTEE**

**08-*R*-2305**

**A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A  
LEASE AGREEMENT WITH WORLD AIRWAYS, INC. COVERING  
THE OCCUPANCY AND USE OF CARGO WAREHOUSE SPACES AND  
OFFICE SUITES IN THE NORTH CARGO BUILDING AT  
HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT;  
AND FOR OTHER PURPOSES.**

**WHEREAS**, the City of Atlanta ("City") has developed the North Cargo Building at Hartsfield-Jackson Atlanta International Airport ("Airport") for air cargo and air freight business at the Airport; and

**WHEREAS**, World Airways, Inc. ("World") is engaged in the air cargo and freight business and has requested a lease of space in the North Cargo Area; and

**WHEREAS**, World previously conducted its operations at North Cargo Building under an operating agreement with Aircraft Service Group International (ASIG), whose lease with the City expired January 3, 2004. ASIG continued to manage the North Cargo Building until the Airport gave notice to ASIG to cease operation of the building and vacate the premises effective July 1, 2006. The Airport is now managing the building, the existing tenants of the building and the aircraft ramp; and

**WHEREAS**, the Airport has negotiated lease terms with existing tenants, including World, and will submit such terms for approval by Council; and

**WHEREAS**, the term of a lease with World shall not exceed December 31, 2013; and

**WHEREAS**, the payment of rental for the lease of space shall be computed at rates that are applicable to all tenants in the North Cargo Facility; and

**WHEREAS**, the payment of an operating and maintenance charge ("O&M charge") will be based on the actual cost incurred by the City for operating and maintaining the common use areas and facilities, and the common utilities of the North Cargo Building. The O&M charge will be subject to periodic reconciliation against the City's actual incurred cost, at the tenant's expense or benefit; and

**WHEREAS**, World, at no expense to the City, shall be responsible for maintenance and repairs of the leased premises; and

**WHEREAS**, the Aviation General Manager has determined that sufficient space is available in the North Cargo Building to meet World's requirements and has recommended that the City enter into a lease agreement on the conditions set forth herein and as otherwise appropriate.

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA,** that the City is authorized to execute a lease agreement with World that shall provide for the occupancy and use by World in the North Cargo Building for a term not to exceed December 31, 2013 at a rental payment for improvements computed at rates that are applicable to all tenants in the North Cargo Facility and where all maintenance and repairs of the premises shall be at the expense of World.

**BE IT FURTHER RESOLVED,** that the City Attorney be and hereby is directed to prepare said agreement for execution by the Mayor, with same to be approved as to form by the City Attorney.

**BE IT FINALLY RESOLVED,** that said Agreement shall not become binding on the City and the City shall incur no liability hereunder until the same has been signed by the Mayor and delivered to World.

**Part II: Legislative White Paper:** (This portion of the Legislative Request Form will be shared with City Council members and staff)

**A. To be completed by Legislative Counsel:**

**Committee of Purview:**

**Caption:**

**Council Meeting Date:**

**Requesting Dept.:**

**FAC Confirmed by:**

**B. To be completed by the department:**

**1. Please provide a summary of the purpose of this legislation (Justification Statement).**

This Legislation is requesting the approval from Council for the Mayor to execute a lease agreement between the City of Atlanta and World Airways, Inc.

**2. Please provide background information regarding this legislation.**

World Airways, Inc previously conducted its operations at North Cargo Building under an operating agreement with Aircraft Service Group International (ASIG), whose lease with the City expired January 3, 2004. ASIG continued to manage the North Cargo Building until the City gave notice to ASIG to cease operation of the building and vacate the premises effective July 1, 2006. At that time, the City took back the space and took over the management of the building and aircraft ramp, as well as began dialogue and negotiations with the numerous subtenants in order to identify tenant needs, evaluate market pricing and potential allocation of leasehold space; and

At this time the City has worked through these complex issues and has reached agreement with tenants on various terms, and is ready to bring forward term sheets to Council for approval to execute lease agreements; and

World Airways, Inc. desires to continue its operations at the North Cargo Building and is willing to negotiate lease terms acceptable to the City.

The expected revenue from this is \$535,286.45 annually (\$44,607.20 Monthly) and World Airways, Inc. is in good standing with the City.

**3. If Applicable/Known:**

(a) **Contract Type (e.g. Professional Services, Construction Agreement, etc):**

(b) **Source Selection:**

(c) Bids/Proposals Due:

(d) Invitations Issued:

(e) Number of Bids:

(f) Proposals Received:

(g) Bidders/Proponents:

(h) Term of Contract:

4. Fund Account Center (*Ex. Name and number*):

Fund: \_\_\_\_\_ Account: \_\_\_\_\_ Center: \_\_\_\_\_

5. Source of Funds: *Example: Local Assistance Grant*

6. Fiscal Impact:

*Example: This legislation will result in a reduction in the amount of \_\_\_\_\_ to Fund Account Center Number \_\_\_\_\_.*

7. Method of Cost Recovery: Rental revenues

*Examples:*

- a. Revenues generated from the permits required under this legislation will be used to fund the personnel needed to carry out the permitting process.*
- b. Money obtained from a local assistance grant will be used to cover the costs of this Summer Food Program.*

This Legislative Request Form Was Prepared By: H. Jason Terreri

TRANSMITTAL FORM FOR LEGISLATION

TO: MAYOR'S OFFICE

ATTN: GREG PRIDGEON

Dept.'s Legislative Liaison: Anita Williams

Contact Number: 404-530-6600

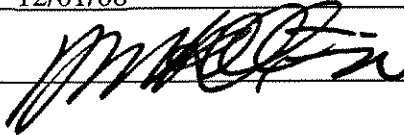
Originating Department: Aviation

Committee(s) of Purview: Transportation

Chief of Staff Deadline: 11/12/08

Anticipated Committee Meeting Date(s): 11/26/08

Anticipated Full Council Date: 12/01/08

Commissioner Signature: 

**CAPTION**

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A LEASE AGREEMENT WITH WORLD AIRWAYS, INC. COVERING THE OCCUPANCY AND USE OF CARGO WAREHOUSE SPACES AND OFFICE SUITES IN THE NORTH CARGO BUILDING AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT; AND FOR OTHER PURPOSES.

FINANCIAL IMPACT (if any)

Mayor's Staff Only

Received by CPO: \_\_\_\_\_ Received by LC from CPO: \_\_\_\_\_  
(date) (date)

Received by Mayor's Office: 11.10.08 RO Reviewed by: Anne 11/14/08  
(date) (date)

Submitted to Council: \_\_\_\_\_  
(date)